



California Fair Political Practices Commission

March 17, 1986

Jill Mastrull Biagio
Nossaman, Guthner, Knox & Elliott
100 The Embarcadero, Third Floor
San Francisco, CA 94105-1295

Re: Your Request for Advice
Our File No. A-86-069

Dear Ms. Biagio:

Thank you for your letter requesting advice concerning the lobbying provisions of the Political Reform Act (the "Act").^{1/}

FACTS

In your letter, you stated that Nossaman, Guthner, Knox & Elliott is a law firm with offices located in California. The firm employs more than 30 attorneys and more than 40 nonattorney employees. The firm is registered as a lobbying firm, and employs a total of 4 registered lobbyists. No other attorneys or employees of the firm are authorized to lobby.

QUESTION

How does the gift prohibition of Section 86203, which applies to lobbyists and lobbying firms, affect a lobbying firm such as Nossaman, Guthner, Knox & Elliott?

CONCLUSION

The gift limitation of Section 86203 prohibits a lobbying firm, such as Nossaman, Guthner, Knox & Elliott, from using the assets of the firm to make or arrange gifts totaling in excess of \$10 per calendar month to any state official. Accordingly,

^{1/} Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated.

the firm may not provide more than a total of \$10 in gifts to a state official in a calendar month, or reimburse its employees for an amount totaling more than \$10 in a calendar month, for gifts made to a state official. The employees of the firm, whether or not they are registered lobbyists, may not use the firm's equipment, supplies, offices, funds, staff, or other resources to make or arrange gifts to a state official totaling in excess of \$10 per calendar month. The employees of the firm who are registered lobbyists may not use their personal assets or the firm's assets to make or arrange gifts totaling in excess of \$10 per calendar month to a state official. However, the employees of the firm who are not registered lobbyists may use their personal assets to make gifts totaling more than \$10 in a calendar month to a state official, so long as they do not receive reimbursement from the firm or claim an employee business expense tax deduction for those expenses.

ANALYSIS

Section 86203 prohibits any lobbyist or lobbying firm from making or arranging^{2/} gifts totaling more than \$10 in a calendar month to any elected state officer, state candidate, legislative official, or agency official of any agency required to be listed on the registration statement of the lobbying firm or the lobbyist employer of the lobbyist. Nossaman, Guthner, Knox & Elliott is a lobbying firm (see, Section 82038.5 and regulation 2 Cal. Adm. Code Section 18238.5 regarding the definition of a lobbying firm), and is therefore subject to the gift limitations of Section 86203.

In our opinion, the gift limitations of Section 86203 apply to lobbying firms so as to prohibit the use of the firm's assets to make or arrange gifts totaling more than \$10 in a calendar month to any state official. Therefore, the firm may not provide more than a total of \$10 in a calendar month, or reimburse its partners and employees for an amount totaling more than \$10 in a calendar month, for gifts made to a state official. Section 86203 prohibits all partners and employees of the firm, whether or not they are registered lobbyists, from using the firm's assets, including the firm's equipment, supplies, offices, funds, staff, or other resources, to make or arrange gifts to a state official totaling more than \$10 in a calendar month. For example, if a nonlobbyist employee of the firm acts as the contact person for legislators invited to be

^{2/} Regulation 2 Cal. Adm. Code Section 18624 (copy enclosed) defines "arranging" a gift.

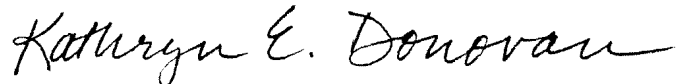
Jill Mastrull Biagio
March 17, 1986
Page 3

guests at a reception in which the firm is not otherwise involved,^{3/} the employee should not list his or her telephone number at the firm for purposes of receiving the responses if any of the legislators would receive gifts totaling more than \$10 either at the reception or in combination with other gifts made or arranged by the firm in the same calendar month.

Although any registered lobbyist in the firm is prohibited from using his or her personal assets to make or arrange a gift of more than \$10 to a state official, the partners and employees of the firm who are not registered lobbyists may use their personal assets to make gifts totaling \$10 or more to state officials, so long as they do not receive reimbursement from the firm or claim an employee business expense tax deduction for those expenses.

If you have any further questions regarding this letter, please contact me at (916) 322-5901.

Very truly yours,



Kathryn E. Donovan
Counsel
Legal Division

KED:plh
Enclosure

^{3/} Pursuant to 2 Cal. Adm. Code Section 18624(e), this action is considered "arranging" a gift if the legislators receive any free food, beverage, entertainment or other benefit at the reception.

LAW OFFICES

NOSSAMAN, GUTHNER, KNOX & ELLIOTT

LOS ANGELES
THIRTY-FIRST FLOOR
445 SOUTH FIGUEROA STREET
LOS ANGELES, CA 90071-1635
(213) 612-7800

ORANGE COUNTY
SUITE 1630
695 TOWN CENTER DRIVE
COSTA MESA, CA 92626-1981
(714) 545-3270

THIRD FLOOR
100 THE EMBARCADERO
SAN FRANCISCO, CALIFORNIA 94105-1295
TELEPHONE (415) 543-2700
TELECOPIER (415) 543-0865

WASHINGTON, D. C.
SIXTH FLOOR
1140 19TH STREET, N.W.
WASHINGTON, D. C. 20036-6699
(202) 223-9100

WRITER'S DIRECT DIAL NUMBER

February 19, 1986

REFER TO FILE NUMBER

Ms. Carla Wardlow
Consultant
Fair Political Practices Commission
P. O. Box 807
Sacramento, CA 95804-0807

RE: Changes in Laws Regulating Lobbying Reporting

Dear Ms. Wardlow:

I am writing on behalf on the law firm of Nossaman, Guthner, Knox & Elliott to obtain clarification on the recent amendments to the lobbying disclosure provisions of the Political Reform Act. We wish to specifically address Governmental Code Section 86203, which was amended to prohibit "both lobbyists and lobbying firms from making or arranging gifts of more than \$10.00 in a calendar month to legislative or agency officials."

Nossaman, Guthner, Knox & Elliott is a law firm with four offices throughout California that collectively have over thirty attorneys and over 40 non-attorney employees. Currently, the firm is registered as a lobbyist employer with two lobbyists domiciled in its San Francisco office and two lobbyists in its Sacramento office. No other attorneys or employees of the firm are authorized to lobby. The Sacramento and San Francisco offices are the only two offices of the firm that engage in any lobby-related activity.

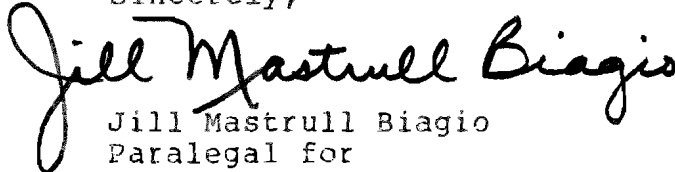
We hereby respectfully request an official, written opinion from your office as to the firmwide applicability of the gift prohibition defined in §86203, as amended effective January 1, 1986, to a law firm such as ours whose business is not strictly lobby-related. Does the prohibition apply to all expenses by all partners, associates and non-attorney employees of the firm? Does it apply only to the expenses of the firm's partners, associates or employees which are reimbursed by the firm? Do any exclusions exist for any attorneys or employees of the firm who are in no way involved with the lobby-related business of the firm?

NOSSAMAN, GUTHNER, KNOX & ELLIOTT

Ms. Carla Wardlow
February 19, 1986
Page 2

We look forward to your response at your earliest convenience. Please do not hesitate to contact me if you have questions or require additional information. Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink that reads "Jill Mastrull Biagio". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.

Jill Mastrull Biagio
Paralegal for
NOSSAMAN, GUTHNER, KNOX & ELLIOTT

JMB:jw
cc: Stephen N. Roberts
William E. Guthner, Jr.
Karen Roberts
0664P



California Fair Political Practices Commission

February 26, 1986

Jill Mastrull Biagio
Nossaman, Guthner, Knox & Elliott
100 The Embarcadero, Third Floor
San Francisco, CA 94105-1295

Re: A-86-069

Dear Ms. Biagio:

Your letter requesting advice under the Political Reform Act has been received by the Fair Political Practices Commission. If you have any questions about your advice request, you may contact me directly at (916) 322-5901.

We try to answer all advice requests promptly. Therefore, unless your request poses particularly complex legal questions, or unless more information is needed to answer your request, you should expect a response within 21 working days.

Very truly yours,

Kathryn E. Donovan
Counsel
Legal Division

KED:plh